

GMCB Hearing on Hospitals' Standard Budget Conditions
Hospital Commercial Rate Charges
Public Comment - September 8, 2023
Julie Wasserman, MPH

The FY24 Standard Budget Conditions item B states a hospital's overall commercial rate increase is approved at not more than [X]% over "current approved levels". "Current approved levels" are the FY23 Approved Charge increases. This means the FY23 Approved Charge increases become, in essence, the floor for future rate increases. This seems problematic given the hefty FY23 Approved Charge increases: 17.4% (Rutland), 14.6% (Brattleboro), 12% (Copley, North Country), 10% (Central Vermont, NVRH, Springfield, and UVMHC).

Three Questions:

1. Doesn't this approach incentivize hospitals to keep their charge rates high?
2. What prevents hospitals from using the approved maximum amount as a negotiating tool?
3. Most important: Could the GMCB institute *decreases* from the current approved levels?

This would simply require adding the word "under" in the first sentence of item B. So it would read:

"... not more than [X]% over/under current approved levels."

The reason I suggest this is: Even if the Board approved a **zero percent** increase over the current approved levels, that still results in significant increases.

Without decreases on the current approved levels, how will we ever move away from this cycle of compounding cumulative increases year after year after year?